

Chief, Intelligence Information Staff, ORR

24 March 1958

THRU : Chief, Industrial Division, ORR
Chief, Military Economics Branch, D/I

Request for Information from US Embassy, Warsaw

REF : US Embassy, Warsaw, Foreign Service Despatch 295, Weekly Economic Report No. 4 (21-27 Jan), 23 Jan 58, Limited Official Use, and DA Intelligence Report, Poland, R-16-58, 24 Jan 58, Confidential

1. In comment, on page 2 of the referenced Foreign Service despatch, it was stated that the explicit budgetary allocation for the Polish military establishment must fall short of covering total expenditures for their armed forces. It was suggested that this explicit allocation may be for "housekeeping" expenses and that the allocation to the national economy includes outlays for military production and associated activities. Comment in the referenced DA Intelligence Report is that the explicit allocation "probably represents expenditures for maintenance only while investments for equipment and other major expenditures are probably under the heading National Economy (Capital Investments)."

2. It would be appreciated if the basis for these comments could be made available to us in as much detail as possible. We are interested in both aspects of the problem: that is, any evidence that the explicit military allocation is a "housekeeping" or maintenance budget and the availability and specific purposes (e.g., procurement, investment in the armaments industries, research and development) of funds from other budgetary accounts (or other sources) that are used for military programs and activities.

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